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ABSTRACT

These two issues of a semiannual newsletter are intended to provide secondary educators with a greater knowledge of insurance and access to teaching materials, new ideas, and insurance career information for students. Each newsletter contains the following: lessons for the teacher, special features (learning activities), teen drivers/automobile insurance, insurance careers, Insurance Education Foundation (IEF) news, insurance trends, and an annotated listing of classroom resources. Topics covered in issue 1, January 1994, include the following: homeowners insurance, auto theft patterns and deterrents to thieves, auto claim adjusting, an IEF summer workshop for high school teachers, and causes of accidental death by age. The following topics are examined in issue 2, September 1994: arson and its detection; life, disability income, and health insurance; career opportunities in the insurance industry; the benefits and limitations of antilock brakes; driving records and assessment of penalties for moving violations; and the effectiveness of IEF teacher workshops. (MN)

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ED 377 326

The Insurance Educator

Volume III

Insurance Education Foundation

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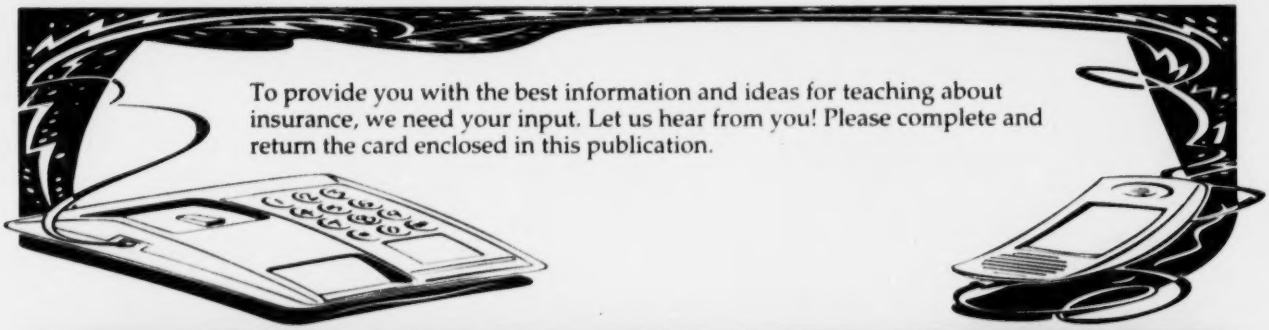
The Insurance Educator

The purpose of this semi-annual newsletter is to provide secondary educators with a greater knowledge of insurance, access to teaching materials, new ideas and insurance career information for students.

Volume III, Number 1 - January, 1994



To provide you with the best information and ideas for teaching about insurance, we need your input. Let us hear from you! Please complete and return the card enclosed in this publication.

LESSONS FOR THE TEACHER

Cover Your Castle

This information is a reprint of a brochure entitled "Home Insurance Basics," produced by the Insurance Information Institute, New York, NY.

Your home is your castle . . . and probably your major investment. To get maximum value for your insurance dollar, it's important that you understand home insurance basics.

WHERE TO START

Insuring to Value

Estimate what it would cost to rebuild your house—at current prices—should it be destroyed. An insurance representative or a professional appraiser can help you. Your home could be underinsured if your insurance protection isn't keyed to current costs. Make a note to check the amount of your coverage at least once a year to make sure you have enough.

Taking Inventory

Next, make a list—an inventory—of the contents of your home. Include furniture and important personal belongings. Keep store receipts and note dates of purchase where possible. Make a VCR tape with audio notes or take photographs of major items. Store a copy of your inventory in a safe place away from home.

WHAT TO DO NEXT

Learn about the various kinds of homeowners policies so that you can select the one which best meets your personal needs. You can insure your property against different losses, from fire and theft to building collapse and frozen plumbing.

Homeowners policies generally provide a "package" of insurance, including money to cover:

- Repairs or replacement for your house, your furniture and other personal belongings.
- Lawsuits against you and members of your household for injury or property damage you cause.
- Additional living expenses, should damage to your home force you to live temporarily in a hotel and eat in restaurants.

Property Coverages

Your house, garage and other structures all are covered. Your personal property is covered.

A homeowners policy generally covers furniture, clothing and most other personal belongings for their **"actual cash value" (their original cost minus an amount subtracted for wear and tear—depreciation)** at the time of loss. Another kind of policy provides **"replacement cost coverage" (what it would cost to replace the lost items without subtracting anything for depreciation)** for personal property. Note that both kinds of policies provide only limited coverage for furs, jewelry, silver and other valuables, including small boats. You may wish to protect your investments in such valuables with a special addition to your homeowners policy called a floater.

When you purchase a homeowners policy, your property is insured against many perils—depending on which policy form you choose.

The **Basic Form** insures your

Continued on page 2

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COVER YOUR CASTLE, *continued from page 1*

home against events like fire and theft, as shown in the chart.

The **Broad Form** covers the items as shown.

A **Special Policy** covers the house for all perils except those explicitly excluded by the policy.

There are also homeowners policies tailored specifically for renters or condominium owners.

Consumers with special or unusual needs should talk with an insurance representative to find out about policies designed for them.

The homeowners policy does not cover automobiles. Nor does it cover flood or earthquake damage. Flood coverage is available only in communities that have agreed to take steps to minimize future flood damage. Both flood and earthquake coverage are sold by private insurance companies.

Liability to Others

The liability part of a homeowners policy applies at home or elsewhere to legal obligations resulting from injuries or damages caused by you, a member of your family or even a pet. It includes the cost of defending you if you are sued. This coverage does not apply to liability resulting from the use of an automobile, which must be covered separately by an auto insurance policy.

Additional Living Expenses

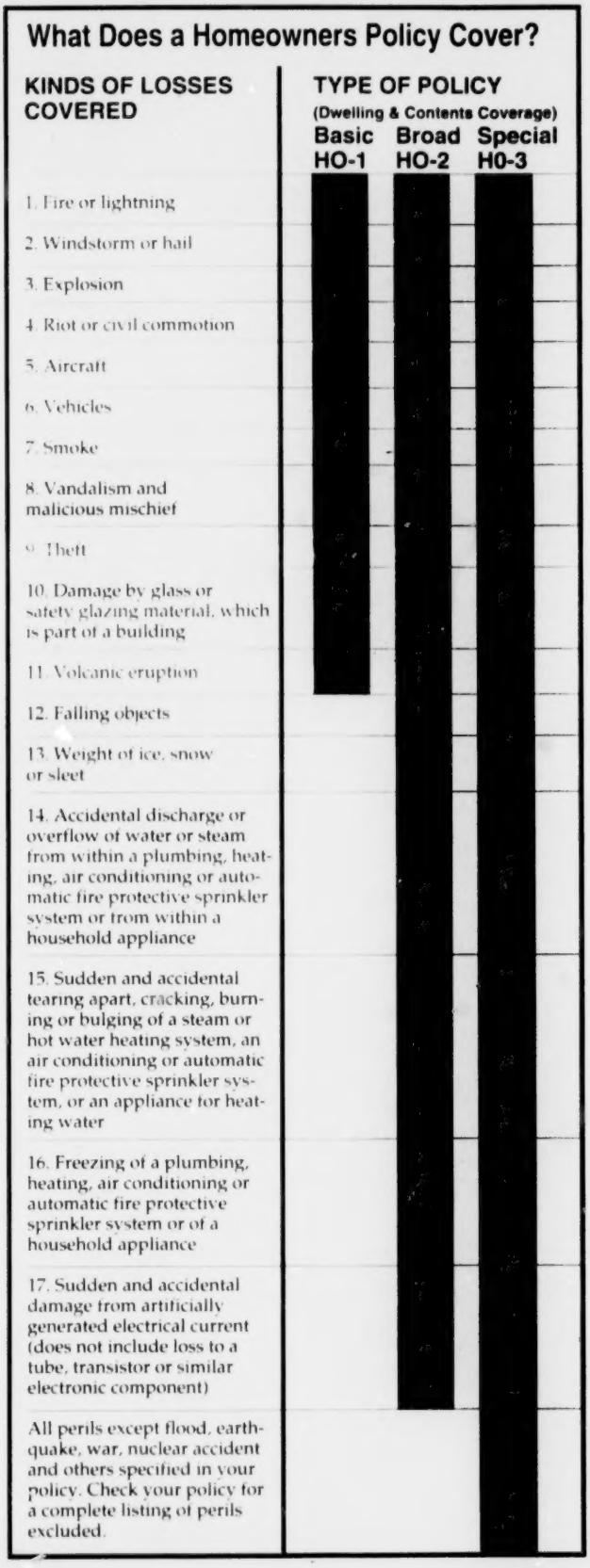
Your homeowners insurance will pay for any increase in living expenses when you can't live in your home because of damage caused by the kinds of losses covered by your policy. For example, if your home is badly damaged by fire, you may have to live in a hotel and eat in restaurants while it is being repaired. Your insurance company will reimburse you, up to the policy limits, for the difference between these expenses and your normal living expenses.

SHOPPING FOR INSURANCE

Once you've determined what it would cost to replace or rebuild your home and know something about the kinds of coverages available, you are ready to shop for the best insurance value.

- Ask friends or relatives to recommend insurance agents or companies from whom they have had good service. Or check the yellow pages for insurance representatives in your community.
- Phone or visit several insurance representatives. Take along your household inventory and photographs. Discuss any concern you have about special coverage for furs, jewelry, antiques or other valuables. The representatives will recommend coverages to suit your needs. Ask questions.
- Consider the largest deductible you can afford—that's the amount of any loss that you agree to pay. The higher the deductible, the lower the premium.
- Compare costs and coverages. Remember to consider the service reputation of the insurance representative or company, as well.

What Does a Homeowners Policy Cover?


KINDS OF LOSSES COVERED
TYPE OF POLICY
(Dwelling & Contents Coverage)
Basic HO-1
Broad HO-2
Special H0-3
1. Fire or lightning
2. Windstorm or hail
3. Explosion
4. Riot or civil commotion
5. Aircraft
6. Vehicles
7. Smoke
8. Vandalism and malicious mischief
9. Theft
10. Damage by glass or safety glazing material, which is part of a building
11. Volcanic eruption
12. Falling objects
13. Weight of ice, snow or sleet
14. Accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance
15. Sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water
16. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance
17. Sudden and accidental damage from artificially generated electrical current (does not include loss to a tube, transistor or similar electronic component)
All perils except flood, earthquake, war, nuclear accident and others specified in your policy. Check your policy for a complete listing of perils excluded.

Taking Stock

Teachers may want to duplicate this activity page for students to use. It is copied from the revised Choice•Chance•Control activities found on page 31 in the Consumer Economics lesson plans.

Suppose you went home today and discovered it in ashes. Or suppose your home is being robbed at this very moment. Would you remember what items you lost? Would you be able to prove that you once had them? Would you be able to replace them? These are three important questions to answer when you consider the recovery or replacement of lost or stolen property.

Taking stock of your home will help you figure how much your property is worth, and how you can protect that property from perils such as fire and burglary.

Choose one room in your home that has a number of different possessions in it. Use the table at the right to record the contents of the room. List each item (furniture, appliances, electronics, carpeting, clothing, jewelry, tools, etc.) in the left column.

Use the second column to record the actual cash value of that item. This means the amount for which you would be able to sell this used item today. (You can check secondhand stores or classified ads to estimate this amount.)

The third column is for the replacement cost of each item. That is if you were to buy this same (or comparably priced) item new today, how much would you have to pay? Catalogs, newspaper ads, or trips to stores will help you find out these prices.

Add up the columns to find the value of the items in this one room. What is the difference between the actual cash value and the replacement value of your items?

ITEM	ACTUAL CASH VALUE	REPLACEMENT VALUE

Mind Games

1. Suppose you are working and able to save $50 a week. How many weeks would you have to work to pay for the loss of all the contents of that room at *actual cash value?*

2. What kinds of *perils* (such as fire, water damage, tornado) could occur that would cause the loss of items in this room?

3. Check out the room (and adjoining rooms) for possible *hazards* such as bare electrical wires or weak locks that could lead to a *peril* occurring. Make a list of these *hazards.*

4. Imagine the kinds of personal injury that could occur in this room because of an accident. What kinds of *hazards* (such as loose rugs or sharp corners) could lead to such an accident?

5. List practical ways of lessening the risk of a *peril* causing damage or loss in this room. For instance, you could purchase a fire extinguisher or get rugs nailed down. Such precautions are called *risk control methods.*

Policy Riddles

June Atkinson, State Department of Public Instruction, Raleigh, NC

After studying basic types of insurance coverages, students should be able to determine the types of insurance the injured party in each of the poems should have. Students may also be asked to write their own poems or rap songs. Answers appear on page 5.

1.
Herman worked in the lion's cage.
He did so every night.
He died at quite an early age,
From "Kitty's" appetite.

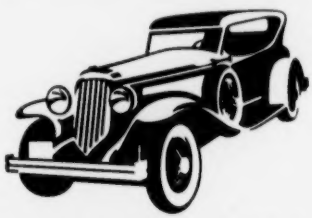
Assuming that this hazardous job was only temporary for Herman, what would be the best type of added insurance protection for him to carry?

3.
When I reach age sixty-five
Assuming that I'm still alive,
I shall retire and take my ease,
and fish for bass, and sail the breeze;
But if before this time, I croak
My wife shall get the insurance poke.

If we assume this man is planning on an insurance policy to make the above statement true, what type of policy would be needed?

2.
I want long-range protection
As cheap as I can buy,
So I can keep most all my cash
To spend before I die.

What would be the best type of life insurance protection for this person to buy?



4.
Under the spreading chestnut tree
The village smithy stood.
I missed a curve I did not see,
Now Smith's on my hood.

What type of auto insurance would pay for the "Village Smithy's" injuries?

Collected Collisions

These accident descriptions are certain to tickle your funny bone:

- Coming home, I drove into the wrong house and collided with a tree I don't have.
- The guy was all over the road. I had to swerve a number of times before I hit him.
- I was on my way to the doctor with rearend trouble when my universal joint gave way causing me to have an accident.
- The indirect cause of the accident was a little guy in a small car with a big mouth.
- I told the police that I was not injured, but on removing my hat found that I had a fractured skull.

—Toronto Sun

Old as Good as New to Car Thieves

Reprinted from the Indiana Reporter with permission from State Farm Insurance, West Lafayette, Indiana

Teachers may want to open a discussion about auto insurance premiums by reading makes of autos from this list and discussing what they have in common and why rates would be higher to insure these autos. Or, duplicate the page for students to have them suggest additional ways to protect against the risk of auto theft.

As Your New Car Ages It May Become More Attractive to Thieves

Your five-year-old car sits next to a brand new model in a parking lot. Any car thief would steal the new one, right?

Not necessarily. As your car ages, it may become even more attractive to thieves. From the time a car is new until it's about four to six years old, its popularity with thieves increases. According to the National Insurance Crime Bureau (NICB), the top 25 stolen cars in 1991 were 1985-1989 models.

Why are older cars popular with thieves? For several reasons: As a car ages, its parts may become more valuable, particularly if a model line had few major changes over time.

An older car is also less likely to be protected by an anti-theft device. Many owners hesitate to install such devices as a car ages and loses its value.

Finally, as a car ages, some owners tend to value it less and take fewer anti-theft measures.

While your car could always be a target of thieves, it will remain most attractive until it's five or six years old. So continue taking precautions as your car ages.

Answers to Policy Riddles (page 4):

1. Life insurance for Herman. (Students may suggest liability insurance for the owners of the lions.)
2. Term life insurance.
3. Whole (or universal) life.
4. Auto insurance. (Auto Liability Coverage or Medical Payments Coverage will pay for injuries; Auto Collision Coverage will pay for damage to the driver's auto.)

How you can give an Auto Thief a Hard Time

- Close all windows. Lock all doors. Pocket your key.
- Park with front wheels turned sharply right or left. That makes towing your car harder.
- Put your car in park and set the emergency brake. With a standard transmission, put it in gear.
- Turn on any anti-theft devices you have.
- Put packages or valuables out of sight. Tempting a thief greatly increases your chance of break-in.
- Park in a well-lighted area.
- If you park in a commercial lot or garage, leave only your ignition key with the attendant. Keep all others. Make sure the key you leave has no key number on it.

TOP STOLEN CARS

Rank*	Make	Model	Thefts Per 1,000
1	1989 Mitsubishi	Starion	81.76
2	1987 Pontiac	Firebird	23.10
3	1988 Mitsubishi	Starion	22.81
4	1988 Pontiac	Firebird	22.67
5	1987 Mitsubishi	Starion	21.03
6	1987 Chevrolet	Camaro	20.96
7	1988 Chevrolet	Camaro	20.52
8	1985 Mazda	RX7	20.47
9	1989 Chrysler	Conquest	20.18
10	1989 Plymouth	Horizon	19.45
11	1987 Chevrolet	Monte Carlo	19.18
12	1986 Chevrolet	Camaro	18.54
13	1986 Pontiac	Firebird	18.28
14	1988 Mitsubishi	Tredia	17.92
15	1986 Toyota	MR2	17.75
16	1986 Honda	Prelude	17.48
17	1988 Chrysler	LeBaron	16.96
18	1987 Toyota	MR2	16.93
19	1988 Chevrolet	Monte Carlo	16.29
20	1987 Buick	Regal	15.99
21	1988 Alfa Romeo	Milano	14.97
22	1989 Volkswagen	Cabriolet	14.52
23	1987 Porsche	928	14.39
24	1989 Alfa Romeo	Milano	14.17
25	1985 Toyota	Supra	14.10

*Ranking based on thefts reported to the National Insurance Crime Bureau in 1991 for that year, make and model.

INSURANCE CAREERS

Auto Claim Adjusting: Insurance on the Front Lines

By Gregory S. Marsh, GEICO, Washington, DC

Teachers may want to copy and distribute this article to students and share it with the school library or careers resources center.

If you yearn for a career that can take you where the action is, consider getting into the auto claim adjusting field. When Hurricane Andrew hit Florida in 1992, insurers were in the vanguard of the relief effort. Working side by side with relief agencies like the Red Cross, claim adjusters helped hurricane victims begin to pick up the pieces. Although they weren't wearing a big red "S" on their chests, claim adjusters certainly were super heroes to those they helped to begin the recovery process.

The work isn't that dramatic all the time. Every day, however, claim adjustors help meet the needs of people who have suffered misfortune to some degree. A minor fender-bender may not be a crisis of equal magnitude to a car that's a total loss, but you can bet that the person whose car is dented takes it pretty seriously. One thing you know for certain: when the day is done, whether you've been helping the victims of some natural disaster or just ordinary people with routinely damaged cars, you've provided a vital service for people in need.

You've also borne a great deal of responsibility. If you work for a company that doesn't use agents, you may be the only representative of your company the customers ever see! They form their opinion of your company based on the impression you make. You're also responsible for your company's money. Before you hand over a check to a claimant, you have to verify coverage, then make an accurate judgment of the value of the damage—keeping a wary eye out for fraudulent claims all the while.

Of course, people don't just stroll in off the street with these abilities. Weeks of training in auto body construction, analysis of collision data, repair cost estimation and customer service are required before you can help your first customer. New adjusters usually are broken in slowly, working with more experienced adjusters at first and gaining more autonomy as they prove themselves.

Although a college degree is a big plus for anyone aspiring to a career as a claim adjuster, what you need most of all is an interest in cars and a desire to help others. An ample supply of curiosity doesn't hurt, either; you'll soon find that auto accidents are like fingerprints—no two are exactly alike. You'll also need an ongoing thirst for knowledge; as automobile design changes, you'll find refresher courses help you to stay current in the latest repair techniques.

In a major metropolitan area, an adjustor-in-training can expect a starting salary in the $23,000-a-year neighborhood. As your skills and experience grow, you can earn up to $50,000 a year, with even greater earnings potential should you prove to be management material. Opportunities for advancement are at least as plentiful in the claims field as they are in any other area of the insurance industry. Who knows! A successful claims career could even propel you into the executive ranks.

IEF NEWS

High School Teachers Invited to Participate in IEF's Summer Workshops

If you are interested in learning more about insurance so that you can do a better job of teaching it to your students, the Insurance Education Foundation offers workshops to help you.

What are they like?

The two-week workshop is an intensive study of all lines of insurance, how the insurance business works and is regulated, family financial planning, the social security system and insurance careers. Lesson plans and teaching materials for use in your classroom will be developed during the workshop. Field trips and panel discussions allow teachers to talk with industry professionals; group activities allow opportunities for exchange of ideas.

Who may apply?

Any high school teacher who will be teaching insurance in any class is welcome to apply. Business, consumer economics, social studies, economics, math, home economics or drivers education teachers from 43 states have completed this program.

What's the cost?

If you are selected to attend, IEF provides tuition, room and board, textbooks and all classroom materials! You are responsible for your transportation and weekend meals.

Where are they?

IEF funds the workshops at these host universities: Drake University, Des Moines, IA; The College of Insurance, New York, NY; California State University, Sacramento, CA; The University of Alabama, Tuscaloosa, AL; Illinois State University, Normal, IL.

How can I learn more?

Return the postal reply card enclosed in this newsletter and ask for a brochure as soon as possible. Application deadline is April 1.

What if I have more questions?

Call the IEF office (317-876-6046) with your questions between 8:00 a.m. and 4:30 p.m. EST and ask for Nancy or Mary.

Coming to a satellite near you!

In the fall of 1994 a nationally broadcast satellite videoconference, "Enhancing the Financial Literacy of Older Youth," will provide training to improve personal finance education for teenagers and young adults. It will be free to anyone who can receive C-band or KU-band satellite signals. Printed materials will be provided to pre-registered participants.

The satellite videoconference will include: understanding financial planning, managing income and credit, owning and protecting assets, saving to achieve financial goals and more.

This program is being produced jointly by the Cooperative Extension Systems of the University of Idaho and Washington State University, with funding from ES-USDA, the College for Financial Planning and American Express.

For information, contact:

Linda Kirk Fox, C.H.E.
Family and Consumer Sciences
University of Idaho
Moscow, ID 83844-3188
Phone (208) 885-5778

INSURANCE TRENDS

Causes of Accidental Death by Age

From the Accident Facts Book, 1993 Edition, National Safety Council

Teachers may want to make the point, by sharing these graphs with students, that motor vehicle accidents are the leading cause of accidental death in the United States. Statistics about causes of death by age groups will illustrate how risks change throughout one's life span.

Motor vehicle accidents, falls, poisoning by solids and liquids, and fires and burns were the leading causes of accidental death in the United States in 1989 (latest statistics available). Graph A depicts deaths attributed to these causes in that year.

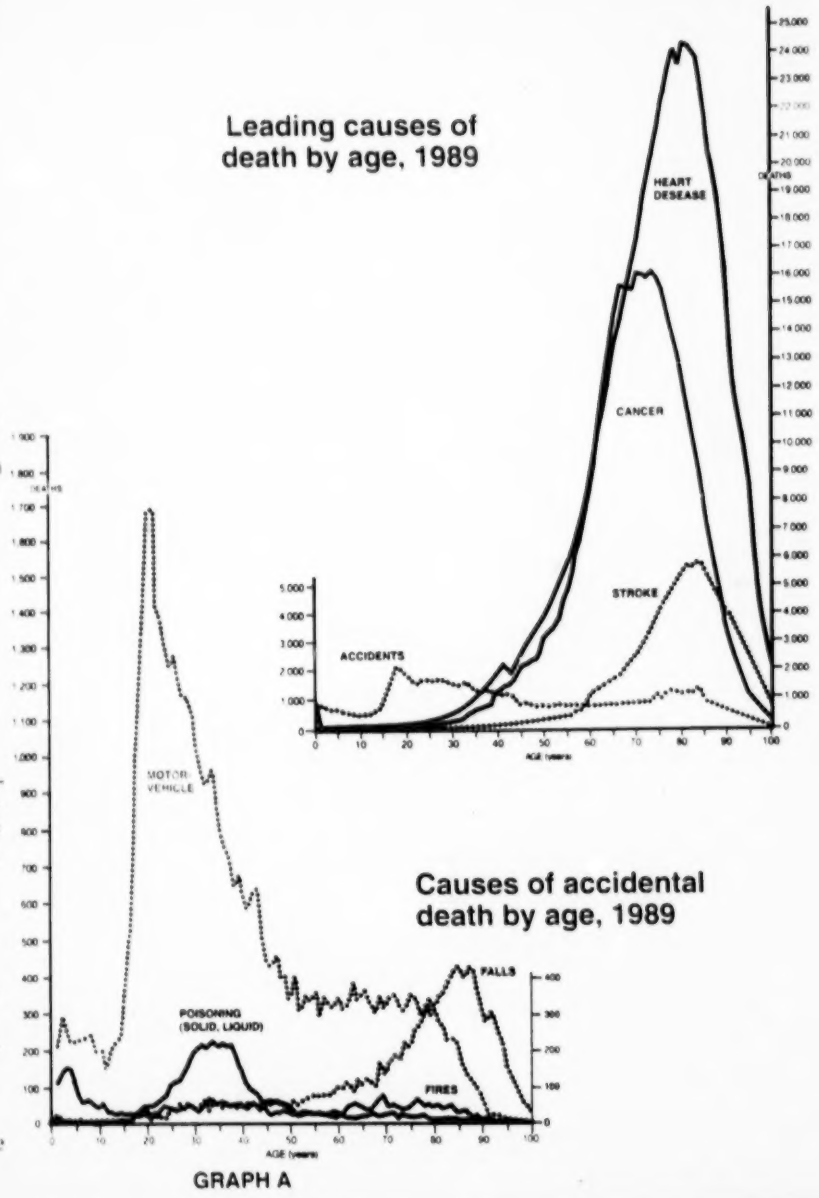
Motor vehicle accidents were the leading cause of accidental death in 1989. The distribution of 1989 motor vehicle fatalities shows a sharp increase for persons age 13 to 19, rising from 227 for 13-year-olds to 1,686 for 19-year-olds. The greatest number of motor vehicle fatalities occurred to 19-year-olds in 1989.

The second leading cause of accidental death was falls. Falls were the leading cause of accidental death of people age 78 and over; deaths resulting from falls peaked at 434 for 85-year-olds.

Poisoning was the third leading cause of accidental death. Solid and liquid poisoning fatalities reached a high of 238 for 34-year-olds and were the second leading cause of accidental death for persons age 18 to 46.

The fourth leading cause of accidental death was fires and burns, which peaked at 169 for 2-year-olds.

The fifth through seventh leading causes of accidental death in 1989 were drowning, suffocation by ingestion and medical misadventures.



GRAPH A

CLASSROOM RESOURCES

I've Got It (10 minute video and brochure). Teenagers explain in video what auto insurance is. Covers types of coverage, factors affecting premiums, how to keep cost lower. Use with brochure, "There is More to Driving than Just Sitting Behind the Wheel." Free from GEICO. Write to: Communications Department, GEICO, One GEICO Plaza, Washington DC 20076 or call (301) 986-2911. (Include number of brochures needed.)

Fishy Claims Expert (35 page coloring book would make interesting transparencies). Humorous characters explain the claims process and jobs of claims personnel. Includes information on claims fraud and investigation. Published by PSI Publications in Naperville, Illinois. Single copies are available from the Insurance Education Foundation; call (317) 876-6046.

Insurance Careers (booklet). Annual publication with articles about various insurance careers. Teachers write on school letterhead to: Wallace Witmer Company, P. O. Box 40169, Memphis, TN 38174, or FAX request to 901-276-5400. (Include number of copies needed.)

The Insurance Reservoir: How Does It Work? (10 minute video and brochure). Explains how money flows through the insurance system and what causes premiums to rise. Use with brochure. Produced by Motorists Insurance. Available on loan from the Insurance Education Foundation; call (317) 876-6046.

What's It Worth To You? Personal Property And Liability Insurance (booklet). Produced by The USAA Foundation, includes inventory checklist and glossary of insurance terms used, covers all areas of detail for homeowners/renters insurance. Limited to one copy per teacher. Write to: The USAA Foundation, ATTENTION: Jo Ann Higle, USAA Building, D-3-E, San Antonio, TX 78288.

Straight Talk About Homeowners Insurance: How to Get the Best Value for Your Dollar (brochure). Summary of items generally covered by homeowners insurance, ways to reduce risk and lower rates. Published by the National Association of Professional Insurance Agents, 400 North Washington Street, Alexandria, VA 22314.

Choice•Chance•Control: That's Life, and That's Insurance, Too! (20 minute video, lesson plans, teacher's guide, activity sheets). Available from the Insurance Education Foundation, P. O. Box 68700, Indianapolis, IN 46268. Free to teachers when requested on school letterhead.

The Insurance Educator

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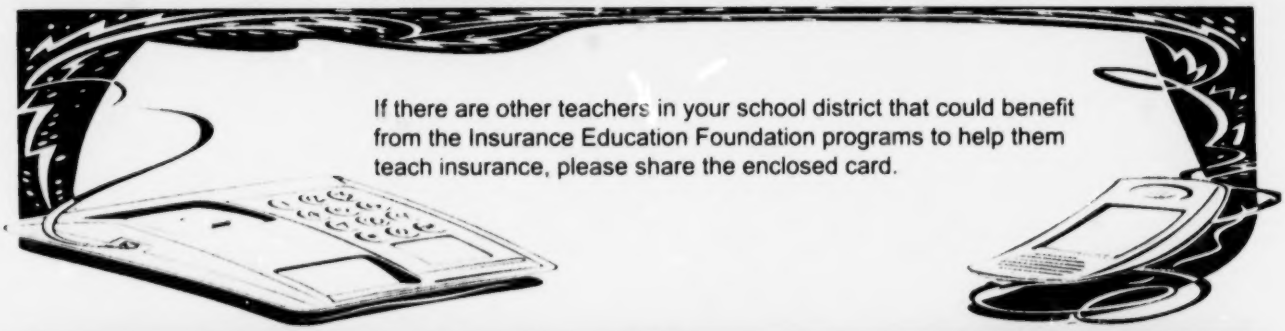
The Insurance Educator

The purpose of this semi -annual newsletter is to provide secondary educators with a greater knowledge of insurance, access to teaching materials, new ideas and insurance career information for students.

Volume III, Number 2 - September , 1994



If there are other teachers in your school district that could benefit from the Insurance Education Foundation programs to help them teach insurance, please share the enclosed card.

LESSONS FOR THE TEACHER

Arson: How Is It Detected?

by Alan Clark
Grinnell Mutual Reinsurance Company

Teachers may want to use this article as background information for a classroom discussion about the kinds of risks covered by homeowners insurance.

Over 4,000 people lose their lives to fire each year in the United States. About 15% of those victims die at the hand of an arsonist.

Out of nearly two million fires reported annually, the National Fire Protection Association (NFPA) reports that almost 15% of all structure fires are deliberately set.The NFPA estimates that U.S. firefighters respond to a fire every sixteen seconds.

After the fire is out, the job of determining how and where the fire started is the responsibility of the fire investigator. Many different agencies or businesses can be involved in the investigation into the origin and cause of a fire.

Public agency employees like fire department investigators, city and state fire marshals, along with federal agencies such as the Bureau of Alcohol, Tobacco and Firearms (BATF) can be involved in the investigation. Private companies also investigate fires with fire losses costing over eight billion dollars per year. Insurance companies, engineering firms, private investigation companies and forensic laboratories can also be involved.

Regardless of whom the investigator works for, the process of accurately determining the cause of a fire is the same. Investigators examine the debris for clues to lead them to where the fire started. By examining burn patterns, collecting evidence, photographing the scene, interviewing witnesses and paying close attention to details, the professional investigator can many times find and document the cause of a fire.

Investigators can piece together the burned-out puzzle by reconstructing the scene, studying burn patterns on furnishings, checking the electrical and heating systems and examining all heat-producing devices in the area of origin.

A thorough investigation can provide the evidence of a set fire. Once the cause is determined, if it is not accidental, then fire service and law enforcement officials can concentrate their efforts on the prosecution of arson. Private industries (insurance and others) attempt to take the profit out of arson through the denial of fraudulent claims.

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Classroom Resources

INSURING THE BREADWINNER

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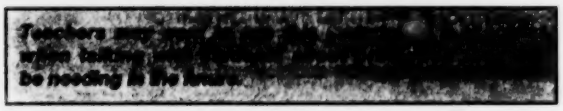

Being a family breadwinner is a major responsibility, one that more and more couples are sharing. But what if you are the only breadwinner in your family? Perhaps you and your spouse have decided that her place is, at least temporarily, at home with small children. Maybe your spouse is ill or he has decided to return to school for advanced education or further job training. Or, perhaps you are a single parent, solely responsible for bringing up children.

Whatever the reason, if you are providing financial support for people who are depending on you, you need insurance. Here's a checklist for essential "breadwinner protection."

Life Insurance

Life insurance serves may purposes but its primary purpose--the one you most need as a breadwinner--is to replace income lost at death. In calculating your life insurance needs, you should consider:

1. Your family's other sources of income: savings, investments, Social Security, group life insurance through your job, lump sum pension benefits payable to your survivor.

2. How much money your family will need to pay final expenses and outstanding debts, to provide for a readjustment period before a surviving spouse can return to work, to provide a college education for your children.

Disability Income Insurance

Often overlooked, this income replacement insurance is just as important as life insurance. It will replace income lost if the breadwinner is injured or ill and unable to work, a situation more likely to strike a young family than death.

If you're not covered by a long-term disability policy on the job, or if that policy is not adequate, consider buying an individual disability income policy. Look for a policy that protects you if you're unable to work at your own occupation, covers both accident and illness, that will pay benefits to age 65, and that is non-cancelable. You can keep costs down, if you have adequate savings, by selecting a policy with benefits starting three to six months after disability begins.

Health Insurance

Most Americans have some health insurance coverage on the job. If you don't, or if your on-the-job coverage is inadequate, you'll want an individual policy.

Most important: major medical insurance to provide financial protection against the devastating costs of long-term illness. Look for a policy with maximum benefits of at least $250,000 (more is even better, in these days of skyrocketing medical costs) and elect the largest deductible you can afford (either picking up where your basic protection stops or self-insuring as much as possible) to keep costs down.

Once you determine your needs, your insurance agent can help you select the appropriate policy and amount.

". . .Then the insurance company told Dr. Frankenstein they didn't pay for experimental surgery."

WORD COMPLETION EXERCISE

Contributed by Dr. Robert Ristau, Professor of Business Education, Eastern Michigan University, with permission from Michigan Association of Insurance Companies

Write in the word that matches each of the definitions below. When you have done that correctly, the letters in the boxes will spell a word that is very important and is a benefit of having the right kind of insurance. One letter — or hyphen — goes on each blank line or square below.

1. ___ ___ ___ ___ ___ ☐ ___ ___ ___
2. ___ ___ ☐ ___ ___
3. ___ ___ ___ ___ ☐ ___ ___ ___ ___ ___
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6. ___ ___ ___ ☐ ___
7. ___ ___ ___ ___ ___ ☐ ___ ___ ___
8. ___ ___ ___ ___ ___ ☐

1. "You choose" coverage that pays for crash damage to your automobile.
2. An insurance company representative who helps you buy coverage.
3. The amount you pay as part of a loss to help reduce insurance costs.
4. A law (in some states) which speeds up payments for claims after an auto accident.
5. The amount a policyholder pays for the insurance purchased.
6. What must be filed to receive payment for loss.
7. A provision in the law that allows a driver (in states with no fault auto insurance) to be sued for up to $400 for damage to the other person's automobile.
8. The legal contract that tells what insurance coverage has been purchased.

Making Insurance Compute—A Rewarding Career Choice

by Steven Shibel
Farmers Insurance Group of Companies
Los Angeles, California

Teachers may want to copy and distribute this article to students and share it with the school library or careers resource center.

Most people know little about insurance. They buy insurance for their cars, houses, lives, businesses, etc. They pay the premiums and occasionally file a claim due to a loss. Few people outside of the insurance business, however, realize to what extent computers are used to help them receive their claims on losses, keep track of how much their life insurance savings account has increased over the years, and rate the best plan for their business insurance portfolio.

Computer programmers and systems analysts like me work together with a variety of people such as underwriters, actuaries, managers and marketing people to design, develop, and maintain computer systems to perform the functions mentioned above. Specifically, I translate the information and rules for the commercial insurance business into a logical procedural outline for the flow of data through the system and then into computer instructions called 'code' in one of the computer 'languages' such as Cobol (Common Business Oriented Language), used by my company.

When I have coded the instructions into a program and tested the compiled code to make sure that it works as desired, I submit the results to our Quality Assurance group for further testing. I work to get each screen to function properly. Once a system has been developed and is working as desired, much of the work I do is enhancements—changing the system to meet new needs or expectations.

Although the salary range varies widely depending on the location, type and size of the insurance company, most starting salaries fall in the mid $20,000's. They will be higher for college graduates, on average, and lower for those without a degree. Those who have insurance-related degrees or are willing to pursue post graduate insurance courses can expect to move up the salary ladder faster than someone who is just a good programmer but knows little or nothing about the complex world of insurance.

What I like most about my career is the feeling of satisfaction I derive from my work. I enjoy working with others who are mutually dedicated to a common goal of providing the best possible insurance information systems to support the important service Farmers Insurance provides to our clients. Our ability to deal with claims from the recent California earthquake and storms elsewhere in the United States was due in large part to computer systems supporting the agents and claims personnel that our clients know as Farmers Insurance Group. I consider myself a public servant, even though I don't work directly with the public.

Any career carries with it a certain amount of stress. There are deadlines to meet and occasional crises to handle. Occasionally, I get a phone call in the middle of the night because of a system failure. That's the downside of this career. But, in my opinion, it is minimized by the rich rewards of enjoying my work, enjoying the people with whom I work, and being paid well for doing something I enjoy.

People come to Farmers programming staff from backgrounds as diverse as teaching, sales, or just straight out of school. Before getting into computers, I spent some time learning the business as an agent. Then, I came to Farmers to work for three years as a commercial underwriter. When a position in Commercial Programming became available, Farmers allowed me to take my knowledge in one area and apply it to another in which I was interested.

Although my family is not directly involved in the insurance industry, they are involved in computers. My wife, Carol, teaches computer literacy and computer science at a local grade school. Our children use PC's as learning tools. If any of my children wanted to follow a career path in computers, whether in applications programming or systems programming, I would encourage them. This is a career that can grow with them, as it has with me, and will reward them along the way as it has rewarded me.

Steven Shibel is a Systems Analyst for Farmers Insurance Group's Commercial Programming section at Farmers Home Office in Los Angeles, California.

What Antilocks CAN Do, What They CANNOT Do

Reprinted with permission from the Insurance Institute For Highway Safety

> ***This article will be most helpful as background information for drivers education teachers when discussing safe braking with students.***

Because of misconceptions about the circumstances in which antilock brakes can help, it's useful to review what they can and, just as important, what they cannot do.

In normal braking, a vehicle slows as its wheels are gradually brought to a stop. Without antilock brakes, hard or emergency braking may cause wheels to stop, or lock, before the vehicle stops. In this case, some or all tires slide, or skid, along the road. How the vehicle skids depends on the coefficient of friction between each tire and the road surface it contacts. A vehicle may skid forward in a straight line. Or it may skid forward and drift to the right or left if the surface of the road isn't uniform. Then again, a car may spin. In any of these cases, the driver effectively loses control.

Antilock brakes can help with these problems. How much depends a lot on the road surface. Antilocks don't make much difference in stopping distances on dry roads, for example, but they can help drivers maintain control when wheels lock during emergency stops. The most pronounced improvements occur on wet and slippery surfaces, where the coefficient of friction between tires and road is low. Here antilocks can greatly reduce stopping distances and prevent loss of control.

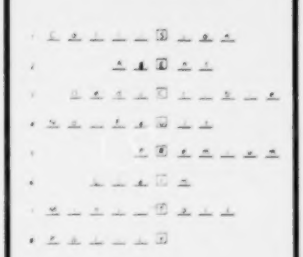
Antilocks help driver control by preventing wheel lockup to begin with. A vehicle with such brakes remains stable during hard braking, and the driver can maintain steering control. This benefit is apparent on dry as well as on wet and slippery roads; but, because wheel lockup is more likely on the latter road type, this is where antilocks should help drivers the most.

Why aren't antilocks making the difference many expected? "We don't know for sure," says HLDI (Highway Loss Data Institute) President Brian O'Neill, "but it's probable that the circumstances are quite rare in which car antilocks can reduce crashes. We don't know how many crashes are preceded by skidding or loss of control that antilocks could have prevented, but the new HLDI findings suggest the number cannot be very high."

Antilock brakes have been very popular. Forty-three percent of 1993 model cars came equipped with them, up from about a third of 1992 models. This brings the total number of antilock brake-equipped cars on the road today to about 10,000,000.

Many car owners don't know how to use antilock brakes effectively, and the manuals that come with their automobile often don't help. Some of the manuals don't spell out how using antilock brakes is different from using regular brakes. Some manufacturers give no "how to" instructions at all, while others give owners the wrong information. Toyota, for example, says its "system functions with normal pedal operation." No it doesn't. Drivers traditionally are trained to brake gently on slippery roads or to pump the brakes to avoid a skid. But it's firm, continuous brake pressure that's required to activate antilocks, which should never be pumped. This is exactly what the antilock feature does automatically--pump brakes many times a second.

Word Completion
Key from page 2



Coming to a satellite near you!

In the fall of 1994 a nationally broadcast satellite videoconference, "Enhancing the Financial Literacy of Older Youth," will provide training to improve personal finance education for teenagers and young adults. It will be free to anyone who can receive C-band or KU-band satellite signals. Printed materials will be provided to preregistered participants.

The satellite videoconference will include: understanding financial planning, managing income and credit, owning and protecting assets, saving to achieve financial goals, etc.

This program is being produced jointly by the Cooperative Extension Systems of the University of Idaho and Washington State University, with funding from ES-USDA, the College of Financial Planning and American Express.

For information, contact:
Linda Kirk Fox, C.H.E.
Family and Consumer Sciences
University of Idaho
Moscow, ID 83844-3188
Phone (208) 885-5778

Your Driving Record and You

by Jennifer Roggie
Insurance Education Foundation
Student Intern/Ball State University

Duplicate and distribute to students who are of driving age in your state.

Anytime people drive cars after drinking alcohol they not only risk their own lives and others on the road, but they also take the chance of getting DUI's or even suspended licenses. DUI stands for Driving Under the Influence of Alcohol or Drugs. This is one reason for license suspension, but there are many others. For example, in many states if high school students under the age of eighteen are expelled from school they get their licenses suspended. This means that they cannot drive at all for at least six months. (Laws do vary from state to state on some issues.)

All states use a similar system for maintaining driving records, but the system does vary from state to state. The system is called the point system. Each licensed driver has a maximum number of points that can be added to his or her record; and after the maximum number of points are reached, license suspension could occur for a designated period of time.

Violations that add points to a driving record are those such as drinking and driving, ignoring a road sign, speeding, not wearing a seatbelt, and many more. Different violations are worth a different number of points. For instance, drivers convicted of going 65 mph in a 55 mph zone would get one point put on their licenses. The higher above the speed limit, the more points are added to a driving record.

After a driver accumulates the maximum points allowed on a driving record, the driver's license is temporarily taken away. Suspension allows drivers to get licenses back after a certain period of time. If someone with a suspended license continues to drive, he or she risks having their license taken away permanently. A suspended license is temporary; a revoked license is permanent.

Sometimes people who have a suspended license are allowed to take defensive driving classes to get points removed from their driving records. The state must give permission to take these classes, but after a certain number of points this option is not offered.

Laws and regulations vary from state to state. To find out more about the rules and regulations for driving in your state, look in the driver's manual located at any license branch.

People need to be aware of the driving laws in their state. DUI's and suspended licenses are very serious issues that we as drivers need to understand. Everyone needs to know what to do and not do on the road and the consequences that will be faced if something is done that should not be done.

State	Licensing Penalty for DUI (Length of license suspension)	State	Licensing Penalty for DUI (Length of license suspension)
Alabama	same as adult	Missouri	3 mo. (younger than 21)
Alaska	same as adult	Montana	same as adult
Arizona	2 yrs.	Nebraska	same as adult
Arkansas	1yr. or until 18	Nevada	same as adult
California	1 yr. or until 18	New Hampshire	same as adult
Colorado	1yr. (under 21)	New Jersey	same as adult
Connecticut	1 yr. or until 18	New Mexico	same as adult
Delaware	2 yrs. or until 18	New York	1 yr. (younger than 21)
Dist. of Columbia	same as adult	North Carolina	same as adult
Florida	same as adult	North Dakota	same as adult
Georgia	same as adult	Ohio	until age 18
Hawaii	3 mo. or until 18	Oklahoma	6 mo. or until 18
Idaho	adult + 1yr. or until 18	Oregon	same as adult
Illinois	1 yr. (younger than 21)	Pennsylvania	6 months
Indiana	same as adult	Rhode Island	18 months
Iowa	6 mo. or until 18	South Carolina	same as adult
Kansas	same as adult	South Dakota	same as adult
Kentucky	3 mo. or until 18	Tennessee	same as adult
Louisiana	1 yr. or until +17	Texas	1 yr. (younger than 21)
Maine	1 yr. (younger than 21)	Utah	3 mo. (younger than 21)
Maryland	same as adult	Vermont	same as adult
Massachusetts	6 mo. (younger than 21)	Virginia	1 yr. or until age 17
Michigan	same as adult	Washington	3 mo. or until age 19
Minnesota	6 mo. (younger than 21)	West Virginia	6 mo. or until age 21
Mississippi	same as adult	Wisconsin	same as adult

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IEF's High School Teachers' Insurance Education Workshops—How Effective Are They?

The Insurance Education Foundation's High School Teachers' Workshops were designed to increase teachers' knowledge of insurance and provide them with ideas and materials to use in teaching insurance in their own classes.

A recent study led by Dr. James Barrese, economist and Associate Professor at The College of Insurance in New York City, revealed that teachers' knowledge of and attitudes toward insurance improved dramatically as a result of completing an IEF workshop. On a scale of 1 (highly negative) to 7 (highly positive), teachers' understanding of insurance improved from an average of 3.94 before the workshop to 6.22 immediately following. Surveys six months later showed a slight increase to 6.31.

Teachers who attend workshops are much more confident about teaching insurance units in their classes because they are much more knowledgeable about insurance. And they are better equipped with classroom videos, pamphlets, lesson plans, etc. Students benefit from teachers' expertise as they begin to understand that insurance is designed to benefit them personally, and they are better prepared to make healthy consumer decisions.

Since the 1988 pilot workshop at Drake University in Des Moines, Iowa, 574 teachers from 43 states have completed the two-week program. By the end of August 1994, approximately 775 teachers will have had the IEF workshop experience. Other universities hosting IEF's workshops are: The College of Insurance, New York City; California State University, Sacramento; The University of Alabama, Tuscaloosa; Illinois State University, Normal. Business, social studies, consumer economics, math, home economics and drivers education teachers rate the course very highly; all have said they would recommend it to colleagues.

For more information, contact Nancy Coleman, IEF, 3601 Vincennes Road, Indianapolis, IN 46268 or call (317)876-6046.

IEF Workshop at Illinois State University

IEF Workshop at The College of Insurance in New York

" Great teachers never strive to explain their visions. They simply invite you to stand beside them and see for yourself."

-The Reverend R. Inman

IEF Workshop at The University of Alabama

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CLASSROOM RESOURCES

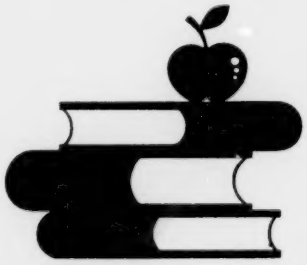
Educators' Resource Book of Insurance Terms (12 page booklet). Definitions of insurance terms relating to health, life, auto, property, annuities. Teachers write for free copy on school letterhead to: The Horace Mann Companies, Attention: Dr. Janis Grace, One Horace Mann Plaza, Springfield, IL 62715.

Insurance & History (wall & notebook charts). Chart presents a brief chronology of insurance industry connecting critical events to economic, political, and social developments from 3000 BC to 1990 AD. Duties in key insurance positions described. For a free copy write to: Robert Pomeroy, Director, National Center for the Study of History, R.R. #1 Box 679, Cornish, ME 04020 or call (207)637-2873.

Consumers Guide to Disability Insurance (16 page booklet). Explains what disability is, who's eligible, what to look for in policies, etc. Published by Health Insurance Association of America. For a free copy write to: Insurance Education Foundation, P.O. Box 68700, Indianapolis, IN 46268 or call (317)876-6046.

Attention: Drivers Education Teachers. The AAA Foundation for Traffic Safety has released 12 traffic safety videos ($40 each). To order videos or request catalog listing materials, call 1-800-305-SAFE.

Choice-Chance-Control: That's Life, and That's Insurance, Too! (20 min. video, lesson plans, teacher's guide, activity sheets). Available from the Insurance Education Foundation, P.O. Box 68700, Indianapolis, IN 46268. Free to teachers. Request on school letterhead or return enclosed postal card.



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